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TAGS: [PREL](#) [MCPAC](#) [MARR](#) [ETRD](#) [EINV](#) [NATO](#) [UP](#)

SUBJECT: UKRAINE: DEFENSE MINISTER ON REGIONAL
RELATIONSHIPS AND MILITARY DEVELOPMENT

Classified By: Ambassador for reasons 1.4 (b,d).

¶1. (SBU) Summary and comment. Ambassador, Defense Attache, and Office of Defense Cooperation (ODC) Chief met with Minister of Defense Yuriy Yekhanurov at his request. Minister Yekhanurov came with a list of issues to discuss that concerned both relations with Ukraine's neighbors and internal military issues. The Minister wished to inform the Ambassador on key domestic issues, to seek advice on difficult challenges, and to request assistance on certain commercial venture proposals concerning military housing, airlift aircraft, and helicopters. Comment: Responses or suggestions regarding the Minister's proposals are welcome. End summary and comment.

¶2. (SBU) Minister of Defense Yuriy Yekhanurov requested a meeting with U.S. Ambassador to discuss several unnamed issues which he declined to elaborate in advance. He desired the meeting to be held outside the Ministry of Defense and said he would not be accompanied. On April 23, Minister Yekhanurov came to the U.S. Embassy and met with Ambassador. Also in the meeting were U.S. Defense Attache, ODC Chief, and a U.S. Embassy interpreter. Minister Yekhanurov began by saying the Defense Ministry (MoD) had been engaged in very intensive efforts on the eve of the Bucharest summit and felt they were prepared going into the summit. Following the summit, MoD gained a clear understanding what must be done to achieve NATO standards. Minister Yekhanurov made the point that Ukraine must focus on practical results and completing the Ukraine-NATO Action Plan in full and in all of the Ministries. He related that the government has been able to achieve desired results in certain instances by reaching out

to the opposition. He assessed they would be able to achieve significant progress bit by bit by taking small steps in key areas.

Ukraine-Russia

13. (SBU) Minister Yekhanurov explained that many contentious issues should be solved within the confines of domestic politics. He said Ukraine should not bring its domestic problems to NATO to solve. Nor, he said, should Ukraine expect NATO nations to shoulder the burden of all of Ukraine's problems. He said not all of Ukraine's politicians have a clear understanding of that principle. Specifically, Minister Yekhanurov raised two issues which he considers issues for Ukraine to solve, but he desired to make us aware of them and potential actions they are considering. The first issue concerns Ukraine's relationship with Russia. As a preface, he said Russia must come to terms with and to respect Ukraine's choice for its Euro-Atlantic aspirations. Ukraine desires to have good relations with Russia and to cooperate with Russia in all spheres. He related that Ukraine had completed a successful air defense exercise with Russia on April 23, which marked the first exercise in a series of multinational exercises Ukraine will complete in 2008. Minister Yekhanurov also hopes to host a meeting of Chiefs of Defense in Ukraine, including Chiefs from NATO and non-NATO nations to prove that Ukraine desires to reach out to everyone while integrating into NATO structures.

14. (C) Minister Yekhanurov is concerned that failuer to

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properly demarcate the Ukraine-Russia border, however, could continue to cause tensions and to reduce the effectiveness of Ukraine's desire to integrate successfully with the West and the global community at large. To influence the Russians to complete this process, one proposal would be to make border demarcation a condition for Ukraine's approval of Russia's entry into the WTO by emphasizing Ukraine's legitimate right to an established border. Minister Yekhanurov explained that an established border is required to establish customs territories and regimes linked to foreign trade. A properly marked border is also required to tackle the extreme problem of contraband flow on both sides of their border with Russia.

Ambassador cautioned the Minister to be very careful on this issue. Making bilateral non-trade-related conditions for WTO agreement might not in the end be in the best interest of Ukraine, he noted. But, he said, he would check with the experts to see if such issues had been addressed in other WTO negotiations.

Georgia and Other Neighbors

15. (C) Regarding Ukraine-Russia relations, Minister Yekhanurov said Georgia wished to purchase high-end military equipment from Ukraine, specifically an immediate purchase of S300 air defense systems. Minister Yekhanurov said Ukraine does not have excess S300 systems available to sell to Georgia even if it wanted to. Additionally, Georgia desires to be closely tied to Ukraine on the NATO issue. Georgia's vision is, MAP for Ukraine equals MAP for Georgia. He asked if NATO nations shared this view. The Ambassador replied that we had pushed very hard for MAPs for both countries, but addressed each case on its merits. In this area, and the area of acquiring military equipment Georgia is applying pressure to Ukraine as Georgia sees no other alternative to its security needs.

16. (SBU) Minister Yekhanurov said Ukraine desires to be a leader and positive facilitator in the region. Ukraine maintains close relations with Georgia and is prepared to assist the Georgians where and when possible. Ukraine also desires to work with European nations to positively influence Belarus to the extent possible. It is important for Ukraine

to have good neighborly relations with Belarus, and Ukraine would like to assist them to move in the right direction, but Ukraine is often frustrated by actions of the President of Belarus. Ukraine is also working with Moldova on the Transnistria situation and closely monitoring developments.

The Future Armed Forces of Ukraine

17. (SBU) Shifting gears, Minister Yekhanurov said he wished to bring up some military issues. He began by saying the Ukrainian military will have 14,000 fewer personnel at the end of 2008 than it had at the end of 2007. Considering those numbers, MoD plans to draft 30,000 conscripts in 2008, primarily into the signal corps, the Air Force and the Maritime Component of the Navy. He claimed that the 14K reduction partially resolves the issue of the budget, but provided no further information on this, although he said inflation continues to take its toll. One of his objectives is to increase the popularity of the armed forces in the eyes

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of the general public. One of his ideas for doing this is to use those military personnel who have experience in international operations to reach out to the general public and increase public awareness of what the military is doing. The primary target audience would be young people and students. He plans to put some personnel in to mass media organizations to work as information providers and promoters.

18. (SBU) Housing Project in Sevastopol. Continuing on his vision for the future armed forces, Minister Yekhanurov said he would like to move upwards of 5000 military personnel to Sevastopol to increase the Ukrainian military presence there. He has identified the Sevastopol area as being a number one priority of effort. He contemplates how Sevastopol will look after the withdrawal of the Russian Black Sea Fleet. Will it develop into a large commercial port, or something else? He said currently, much of the property that is used by the Russian Black Sea Fleet is being transferred to Russian businesses. He would like to see a Cabinet of Ministers resolution which declares all property used by the RU BSF to be property of the Ukrainian Ministry of Defense and any transfers of property not approved by the Ukrainian MoD would be deemed invalid.

19. (C) To make Sevastopol a desirable and compatible place to add upwards of 5000 personnel, the government would have to build adequate housing. In this manner, he says they could move personnel from other regions of Ukraine to Sevastopol, including the Western regions. Minister Yekhanurov has been approached by U.S. construction companies to discuss potential housing construction projects. The Minister thinks a U.S. company should be able to obtain loans from EXIM Bank to do work in Ukraine. The Government of Ukraine would guarantee loan payment. The Minister is keen on this idea because he wants housing in Sevastopol to be constructed very soon. Given their budget constraints and processes they would not be able to secure funding for quick construction. His interest is to develop a serious Ukrainian armed forces presence in Sevastopol, and after the RU BSF departs in 2017, additional personnel could be moved in. He said MoD already owns the land needed for new housing, and the land could be used as a mortgage. (Note: DAO and FCS are following up with the Minister's deputy. End note.)

110. (SBU) New Military Helicopter project. From housing in Sevastopol, Minister Yekhanurov switched to military helicopters. He said the Armed Forces have about 300 helicopters which are grounded. They currently attempt to build up one flyable helicopter from three. He believes that their useful life is only another five years. Therefore, he is interested in pursuing projects in manufacturing or assembling helicopters in Ukraine in partnership with foreign companies. MoD has several factories that can be used for upgrade or repair of helicopters or they could be converted

to manufacture under a joint venture. He believes they should choose either an American company or a French company.

He would like this issue to be decided by the end of this year or the beginning of next.

¶11. (SBU) AN-70 Aircraft project. The Minister's next issue concerned AN-70 transport aircraft. He said they must complete some additional testing on the aircraft within the next 18 months. Two aircraft are being constructed at the

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Aviant Plant in Kyiv, but slowly. The AN-70 is still a joint project with Russia and he says Russia continuously delays the work. Russia plans to continue financing the project but the financing process is slow. If Russia were to pull out all together, the cancellation charge to them would be much greater than staying in. Minister Yekhanurov would like to find an alternative to the Russian partnership to either prompt the Russians to action or to separate from the Russians on the project. Besides the general problem of Russian partnership, he said the wings for the AN-70 are currently produced in Tashkent at a firm that is now a part of a Russian aviation concern, so this is another area where they need to find an alternative if they are to strike out on their own. Minister Yekhanurov knows that Ukraine should focus on airlift to be a force contributor to international operations. He said when they join NATO, airlift should be one of their main contributions.

Other issues

¶12. (SBU) Ambassador raised three issues with Minister Yekhanurov concerning the NATO PFP Trust Fund, Ukraine's contribution to the Swedish PRT in Afghanistan, and the visit of the ODC Chief to Kharkiv to look at a potential new senior noncommissioned officer academy. Ambassador told Minister Yekhanurov that Ambassador Lincoln Bloomfield will visit Ukraine in May with an interest in discussing the reduction of MANPADs throughout the world. Minister Yekhanurov promised Ambassador Bloomfield would be able to visit a MANPADS storage facility while he is in Ukraine.

¶13. (SBU) On the Swedish PRT, Ambassador said that Acting First Deputy Minister Ivashchenko mentioned a possible need for foreign assistance with their deployment to Afghanistan with the Swedish PRT. Minister Yekhanurov said he just recently approved a document to send seven additional personnel to Afghanistan to augment the Swedish PRT. Following the most recent negotiations in Sweden, Ukraine is considering the possibility of operating within the PRT as one intact patrol unit. If this is the case they would probably need to acquire their own transportation to accomplish the mission. (Comment: From conversations with others, we know the Swedes will operate Land Rovers and to be logistically compatible, the Ukrainians should obtain their own Land Rover vehicles.)

¶14. (SBU) Lastly, the ODC Chief briefed the Minister on his trip to the Armor Officer School in Kharkiv, which the MoD is considering for conversion to a senior noncommissioned officer academy. Minister Yekhanurov said the NCO school in Kharkiv is a priority and was very interested in the views of the ODC Chief. Of particular note were the Minister's views on the Army's current NCO school in Desna after a recent visit. He said the base and school should be closed, dismantled, and a new city should be built on that site. He said no one from Desna should be moved to Kharkiv. With these comments, the Minister clearly saw at Desna a monument to the old Soviet military ways, and possessed no desire for it to continue or propagate. (Note: We fully agree. End note.)

¶15. (U) Visit Embassy Kyiv's classified website:
www.state.gov.gov/p/eur/kiev.

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